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Nov 8, 2012

VIA ELECTRONIC FILING

Linda Oliver  
Attorney Advisor  
Telecommunications Access Policy Division  
Wireline Competition Bureau  
Federal Communications Commission  
445 12th Street, S.W., Room TW-B204  
Washington, DC 20554

**Re: Supplemental Comment to Ex Parte in WC Docket No. 02-60 filed for Oregon Health Network**

Dear Ms. Oliver ,

On behalf of the Oregon Health Network, ("OHN"), we would like to briefly supplement exparte comments filed on October 11, 2012 in the Rural Health Care ("RHC") program docket. This supplemental set of comments is to directly address the potential RHC revised program funding cap and the demand for funding from OHN membership to support current and future eligible health care providers and telecommunication services.

Note that OHN, per our accepted sustainability plan, has current telecommunications contracts issued through May 2014 with an auto-renewal, at same rates and services, for up to another 5 consecutive years (May 2019), provided the site acknowledges and approves the said renewal. At this time, OHN has approximately 226 sites with active funding commitment letters and contracts through May 2014 and anticipate that the majority, if not all, would take advantage of this auto-renewal provided the receipt of continued support from the FCC RHC. All contracts and rates were obtained through a multi-vendor, competitive bidding process that resulted in the lowest cost, highest quality connectivity available by responding telecommunications vendors. The total annual 85% monthly recurring costs for the current contracted members is approximately \$3.8 million (including the NOC – network operations center).

In addition to the above investments made to date, the value of the inclusion of urban health care providers has been proven to be critical to the building of a healthcare network. Without the involvement of the urban providers, the technical access to specialty care would not exist. Currently OHN has 65% of sites in designated rural areas and 35% in urban designated areas. (For example,

Cc: Chin Yoo, Mark Walker



Oregon's only university/teaching hospital (Oregon Health Sciences University) is located in urban Portland.) This representation directly reflects the landscape of Oregon has a whole and hence the dependency on the inclusion of the urban based facilities – especially the hospitals and specialty practices. It is the urban facilities that are promoting and assisting their rural brethren in the use and adoption of telemedicine and electronic health records. It is the rural facilities that are given the burden of providing patient care and assessing the need to treat in area or transport, with minimal staff. Connecting the healthcare providers on a shared network that promotes telemedicine provides the patient with the team needed to provide him/her with quality care.

OHN has identified additional health care providers that wish/could benefit from inclusion into our network. There are providers who can afford to pay their own telecommunications costs and are joining using their own resources. Then there are providers who require assistance to upgrade their network to one that can support health IT solutions such as electronic health records and video conferencing for telehealth. These providers benefit from OHN's consultation, project leadership and funding resources to assist them in achieving their network goals. OHN anticipates the potential annual funding of these providers at the current 85% support levels to be approximately \$3.2 million annually. This total is based upon an average funding commitment per eligible site, with a minimum 10 mbps fiber connection monthly cost of \$1,546 which translates to an 85% subsidized cost of \$1,314 per month or \$15,774/annually. Taking into consideration an initial average one time installation cost of \$28,572 which has translated to average 85% subsidized cost of \$24,286, OHN anticipates the ability to add approximately 175 – 203 additional health care providers over a series of 3-4 funding years. This is based upon the experience of the staggered installation timeframes and the presentation of the one-time non-recurring cost within the funding year, the multiple RFP rounds that OHN predicts we would engage in, furthering the staggered completions of the installations and therefore costs. OHN does not predict any issues with managing a project with a total of \$7 million in annual funding split between the existing \$3.8 million in current contracts and \$3.2 million in new funding for additional site contracts and connections. This would take OHN's projected funded number of sites between 401 and 429. OHN has always predicted and forecasted the need to reach up to 400 member sites in our network to achieve financial sustainability. For OHN to continue on our mission and efforts, we need to continue to strive for this membership volume.

As OHN has a list of potential eligible provider sites of approximately 760, we can confidently forecast that approximately 400 of these would translate into funded connections especially given the fact that many health care providers are or have moved to a Layer 3 / Layer 2 design with the funded connection being the Layer 3 connection and the Layer 2 connections being unfunded. Consequently, a total of an additional 760 health care provider sites may have indirect access to the network with 400 connections being supported by the FCC RHC.



Lastly, in addition to our project projections listed above, the Commission should recognize that while OHN and many other pilot projects are proving successful technically, these networks were not easy to establish. Even with favorable Pilot Program rules providing for 85% subsidies and the eligibility of non-rural HCP's, each network required a tremendous amount of time and commitment in the form of financial and human resources to launch and become successful. All without any financial support from the FCC RHCPP. This experience suggests little reason to assume successful networks will quickly emerge with the new HBSP program. Continued support for the success built to date and the capturing of the continued momentum is vital and necessary and only leads to continued success reflected back to the FCC.

We hope you find this information helpful. As always, please feel free to contact us with any questions.

Thank you.

A handwritten signature in black ink, appearing to read 'Kim Lamb'.

Kim Lamb

Executive Director

A handwritten signature in black ink, appearing to read 'Kim Klupenger'.

Kim Klupenger

Chief Operations Officer & Project Coordinator